

City of Chattanooga, Tennessee

Comprehensive Annual Budget Report

Fiscal Year July 1, 2001 thru June 30, 2002

Presented by:

The Department of Finance & Administration

James S. Boney, City Finance Officer

Daisy W. Madison, Deputy Finance Officer

Fredia F. Kitchen, Budget Officer

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The **CABR 2002** is divided into five major sections: **Introduction, Guidelines, Financial Overview, Personnel Administration**, and the **Appendix**.

Section A: Introduction - gives a profile of Chattanooga with selected useful service, demographic, economical, and statistical information, a message from the Finance Administrator, an organizational chart, and City officials .

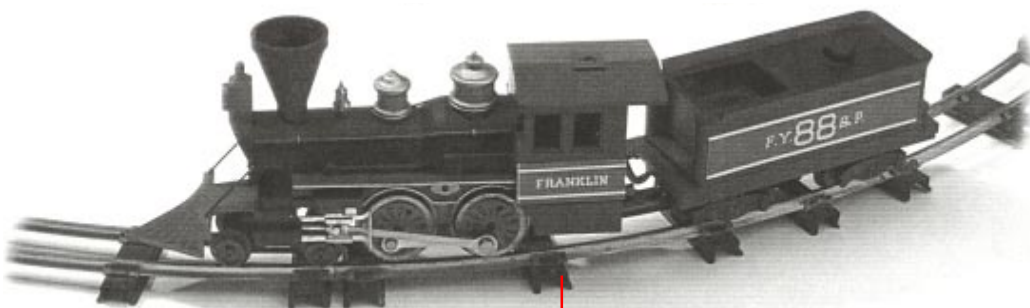
Section B: Guidelines - informs you of guidelines and rules adhered to by the finance department of Chattanooga, as well as budget policies, model, procedures, a calendar, and the budget ordinance.

Section C: Financial Overview - summarizes the overall financial condition of Chattanooga, where we have been, where we are, and where we are going. This is followed by detailed discussions of program functions such as General Government, Finance & Administration, Public Safety, Public Works, Parks & Recreation, Debt Services, Capital Outlay, and Social Services.

Section D: Personnel Administration - gives an outlook on the benefits provided by the City of Chattanooga, position changes, its personnel detail, and pay plan tables.

Section E: Appendix - includes a glossary and an index.

Welcome to the
City Of Chattanooga, Tennessee





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August 2001

To the Honorable Mayor, Members of the City Council, and the Citizens of Chattanooga



We present to you the 2002 balanced budgets for the City of Chattanooga, Tennessee. We would like to welcome the City's new administration which includes a Mayor and four new members of the Council.

This new administration has met the challenges faced during this process with a commitment and dedication that I've never before experienced during my term as Finance Officer for the City of Chattanooga. There was a tremendous spirit of cooperation between the Mayor, department administrators, and council members in putting together a budget that is fair and equitable to employees as well as ensures an improved quality of service to the citizens of Chattanooga. Changes made include, but are not limited to, revisions in the organizational structure of the City, reduction in staffing levels and revision of medical insurance coverage.

As Mayor Corker took office in April, he presented an agenda that would maintain the strong fiscal character of the City through stimulation of the economy and providing good paying jobs for its citizens. This budget includes funding for **nine initiatives** that will help in achieving this goal. They are as follows:



Business Recruitment – This administration will work closely with the Chamber of Commerce to make recruitment of new businesses a top priority. An individual with extensive experience and business and industry contacts will be selected to lead this effort.

Access to Capital - Funding is provided for the recruitment and retention of a major regional economic development firm which will bring large amounts of venture capital and loans for new, start-up, minority owned or existing businesses in Chattanooga

Digital Vision – The goal of this administration is to capitalize on the assets we have to ensure that businesses in our community with high data transfer needs have access to

digital technology at competitive prices. We will work closely with Oak Ridge National Laboratory (ORNL) and the Electric Power Board to this end. The acquisition of strands of fiber optic lines will enable University of Tennessee at Chattanooga to connect with the ORNL, thereby significantly enhancing their capabilities to do applied research.

Volunteer Army Ammunition Site (VAAP) - This budget includes over \$5 million for the purpose of developing this site in order to attract new businesses with high paying jobs for the citizens of Chattanooga and Hamilton County. The County will match the City's contribution toward the development of the site resulting in a total of over \$10 million earmarked for this purpose.

Airline Service - This administration recognizes the need for strategic planning with regard to the future of the Airport Authority. Plans are to launch a campaign to find an excellent airport manager to begin this process. His objective will be to bring in additional carriers and ensure competitive rates for passengers.

University of Tennessee at Chattanooga— This administration is committed to assisting UTC in becoming a place that attracts talented people from across the country and the world. A first class University is a prerequisite for every great city. Success in our digital vision will provide the opportunity for research and collaboration with other scholars across the country. Access to the Nation's super highway will have a tremendous effect on the University's ability to recruit technologically advanced students and faculty members.

Education – The formation of a Community Education Alliance composed of community and business leaders will work in coordination with the Hamilton County Department of Education and the Benwood Initiative to address the problems specific to high priority elementary schools in our community. This panel will specifically address teacher recruitment, teacher retention and the better coordination of the City administered Head Start program at these schools.

Neighborhoods— The Strategic Neighborhood Initiative (SNI) is a partnership between the City of Chattanooga and 15 high priority neighborhoods to transform them into clean, safe attractive communities with strong independent and capable neighborhood associations

Safety – Fear of crime in the neighborhood is of great concern to the citizens of Chattanooga. A new strategy will be adopted that using our existing resources and focuses them on our neighborhoods. It calls for high visibility directed patrols in neighborhoods, faster response to calls for service, and a more timely response for investigating crime.

Budget in Brief

Departments and agencies submitted budget requests which exceeded estimated revenues by more than \$20 million dollars. Initial review with department heads and a policy of funding agencies at fiscal year 2001 levels resulted in a reduction in the deficit of \$17.3 million.

Transmittal Letter

Factors contributing include:

Rising medical Cost	\$4.9M
Loss of principal landfill customers	\$3.9M
Increased pension/salary cost	\$3.9M
General growth in cost of operations	\$1.1M
Increased debt service for existing debt	\$1.3M
Financing for future capital projects	\$1.3M
Renewal & Replacement	\$.5M
Contingency	\$.5M

Through the diligent work and cooperation of the council, administration, and the citizens of Chattanooga, we were able to eliminate this deficit in seven phases.

Phase 1: Reducing Department Inefficiencies. We started by consolidating functions to reduce inefficiencies within departments, thus the elimination of one department. We also reduced medical cost by \$2.6M, along with slightly increasing the employee contribution to insurance which estimates an additional \$725,000 in revenue. With these steps we reduced our deficit \$3.3M.

Phase 2: Fee Analysis. We compared our fee structure to other comparable cities. We adjusted fees found lagging and proposed new fees where warranted. This step reduced our deficit \$1.1M (\$2.3M in future years)

Phase 3: Adjustment in Education Funding. The City of Chattanooga provides significant funding for education. While it is important to maintain the school resource officers in schools, it seems only prudent that they be funded from the educational component of the economic development fund. So beginning fiscal year 2003, we will redirect \$574,370 of the city only sales tax to fund school resource officers. With this change in policy, we reduced our deficit another \$.5M.

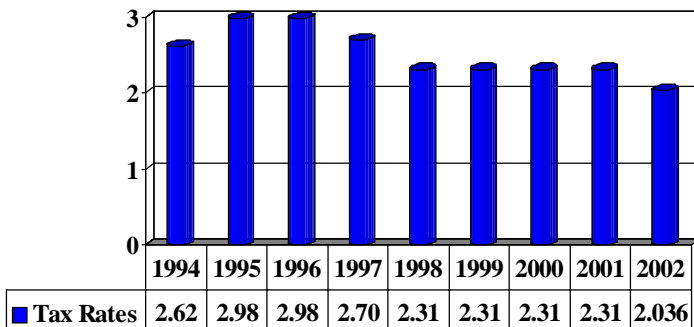
Phase 4: Staff Reduction Plan. In keeping with reducing department inefficiencies, we looked at our current citywide staff in each department. We were able to identify 200 nonessential positions for eventual elimination. In FY 2002 we eliminated 114 nonessential vacancies, which includes several part-time and temporary positions. This generates \$2.03M in savings.

Phase 5: Revenue Review. In this phase we re-evaluated our previous revenue projections based on more current actual data. We were able to adjust property tax to a more definitive assessment independent of reappraisal by \$1.3M and revised our state income tax base on action collection of \$.7M. The property tax adjustment was based on the reconciliation of net additions to the property tax rolls identified during the reappraisal process (not a function of reappraisal). This estimate reduced the budget deficit \$2M.

Phase 6: Revise formula for Employee Raises. Originally we built in a 4% salary increase for all eligible employees. However, with the many health insurance changes we encountered, we were forced to fall back to 3.5%. Although not 4%, this increase will help offset the additional expense incurred by city employees due to the health insurance increase.

In lieu of the average increase of 4% provided for is the city's pay plan each employee would received a 2% increase plus \$500. This resulted in increases ranging from 3% for the higher paid employees to 5% for the lower paid employees. An even greater increase is included for employees not earning liveable wages.

Property Tax Rates



Phase 7: Property Tax Rates. With several new factors to contribute to the changes we foresee in Chattanooga's revitalization, we recommend a budget with an increased property tax rate of \$2.516 per \$100 assessed valuation. This is 48 cents over our current certified rate of 2.036. Each one penny increase generates additional income of \$305,321.

Historically Chattanooga's have had a low tax burden. In 1995, there was a 36 cents tax increase. There have been two tax decreases in the last five years. The rate dropped in 1997 because of the transfer of City Schools to the County. The rate dropped to \$2.515 in 1998 due to a reappraisal and was further reduced to \$2.31.

There are no proposed increases in the charges for services provided under the City's enterprise operations such as the Interceptor Sewer System, Storm Water Program, or the Solid Waste Landfill. This budget presents a financial and operating plan for the City with the primary initiatives outlined earlier.

Budget Highlights

The 2001/2002 Annual General Fund Operating Budget of \$144,594,307 includes \$5,302,101 of capital. The total financial program is \$248,317,938, this 5% increase is due primarily to the increased property tax rate. The FY02 capital program is still under management review at this time.

Revenues for all appropriated funds total \$231,708,711, a decrease of 1% from previous year. Although taxes and charges for services account for the majority of the increased revenues in FY02, declining shared revenues are attributable to the overall offsetting decrease. County wide sales tax are estimated at \$21.5M, that's a \$545,000 decrease or -2.47% from FY01. Likewise, the influx of federal dollars is shrinking in FY02. The COPS Universal Hiring grant is down \$538,000 or -47.9% and the Harriet Tubman project decreased by \$400,000 or -100%.

Interest earnings are estimated to be down during FY02 due to the declining interest rates and market conditions.

Revenues	FY01/02	FY00/01	inc(dec)	% change
Taxes	90,943,399	73,526,312	17,417,087	23.69%
Licenses & Permits	5,999,348	5,145,600	853,748	16.59%
Intergovernmental	76,193,451	83,849,220	(7,655,769)	-9.13%
Charges for services	47,706,311	56,703,628	(8,997,317)	-15.87%
Fines, forfeitures and penalties	1,652,500	1,741,000	(88,500)	-5.08%
Interest earnings	4,991,639	6,983,250	(1,991,611)	-28.52%
Miscellaneous	4,222,063	5,439,369	(1,217,306)	-22.38%
Total Revenues	\$ 231,708,711	\$ 233,388,379	(1,679,668)	-0.72%
Other Financing Sources				
Transfers in	16,609,227	24,191,723	(7,582,496)	N/A
Bond Proceeds	0	9,697,700	(9,697,700)	N/A
Total Other Financing Sources	\$ 16,609,227	\$ 33,889,423	(17,280,196)	N/A
Total Revenues & Other Sources	\$ 248,317,938	\$ 267,277,802	(18,959,864)	-7.09%

Transmittal Letter

Appropriations are \$231,708,711 a 5% decrease is primarily because of the Capital Budget for FY 02 not included. If this factor is eliminated, there would exist a 9% increase over last year budget. This increase is due to rising medial cost, pension contribution change for Fire & Police from 8.19% to 12.24%, additional salary cost, and additional debt service for existing debt.

Appropriations				
	FY01/02	FY00/01	inc(dec)	% Change
General Fund	127,985,080	112,163,473	15,821,607	14%
Enterprise Funds	44,704,687	49,515,340	(4,810,653)	-10%
Special Revenue Funds	33,790,615	29,613,329	4,177,286	14%
Fiduciary Funds	5,411,000	4,881,000	530,000	11%
Debt Service Fund	9,967,329	7,650,860	2,316,469	30%
Capital Project Funds	-	30,712,077	(30,712,077)	n/a
Internal Service Funds	9,850,000	8,550,000	1,300,000	15%
Total Expenditures	\$231,708,711	\$ 243,086,079	(11,377,368)	-5%
Other Financing Uses				
Transfers Out	16,609,227	24,191,723	(7,582,496)	-31%
Total Other Financing Uses	\$ 16,609,227	\$ 24,191,723	(7,582,496)	-31%
Total Expenditures & Other Uses	\$248,317,938	\$ 267,277,802	(18,959,864)	-7%

General Fund. The City's General Fund accounts for all applicable resources related to the general operations of city government. These funds are unrestricted. The total appropriation FY02 budget is \$127,985,080. This 14% increase can be contributed rise in medical, rise in Fire & Police pension, employee raises, and new functions added to the Fund due to reorganization.

In FY02 the Mayor reorganized several departmental functions and/or components. Last year departments include General Governments & Agencies; Finance & Administration; Police; Fire; Public Works; Parks, Recreation, Arts, & Culture; General Services; Personnel; and Neighborhood Services. In FY02, General Services department was eliminated and its functions were disbursed among Finance & Administration and Personnel. The Public Works department added three new functions, Garbage Collection and Brush & Trash functions from the Enterprise Fund's Solid Waste & Sanitation, and Municipal Forestry function from Parks & Recreation. In addition, an Executive Branch was created to better isolated cost for functions directly reporting to him.

Special Revenue Funds. The City's Special Revenue Funds are set by City resolution to account for funds that are restricted as to use by federal and state governments and special purpose. Reported funds through FY01 include Real Estate, State Street Aid, Human Services, and Economic Development. In fiscal year 2002, the Special Revenue Funds total \$33,790,615. Capital transfers out are decreased in FY02 due to a full year of debt service required in the Economic Development fund. The Economic Development fund accounts for the city only local option sales tax to be use for future development and debt service on projects specific to Economic development in the city. The Debt service requirement limits the amount of funds available for future capital needs which would be expended in the capital project funds. In addition, the 3% reduction is less than previous years because of the transfer of the Real Estate Fund to General Fund. This shift in function and accounting was a part of the Mayor's reorganization plan.

Debt Service Fund. The City is authorized to issue general obligation bonds for capital projects. The City Council may authorize the issuance of tax-supported bonds by a simple majority vote, with notification of the action published in local newspapers. Unless 10 percent of the qualified voters protest the issuance by petition within 10 days of notification, the bonds may be issued as proposed. Both principal and interest on general obligation bonds are payable from ad valorem taxes which may be levied by the City Council subject to a legal debt limit of 10 percent of assessed valuation of property. The City Council is also authorized to issue revenue

bonds to finance capital improvements for its various enterprise activities; and loan agreements and capital leases for various other public benefit.

The City entered into a Loan Agreement with the Tennessee Municipal Bond Fund on February 10, 1997 whereby a line of credit was established for up to \$7,908,000 for various general government capital projects. At June 30, 2001, the City had a balance outstanding of \$6,064,523. During fiscal year 2001 the City entered into a capital lease for a building located on ML King Blvd. The intended use of the building will be to expand the Police Training Facilities. At June 30, 2001 the outstanding balance was \$144,000. The City also entered into a lease purchase of sewer system improvements from the City of Collegedale, another local municipal government. At June 30, 2001 the outstanding balance was \$304,399. General Obligation Bonds were issued in March, 2001 in the amount of \$48,310,000. This funded various capital improvements of the general government in the amount of \$39,576,000; solid waste system improvements in the amount of \$6,734,000; and stormwater system improvements in the amount of \$2,000,000.

At year-end, the primary government and its component units had a number of debt issues outstanding. These issues included \$258,442,849 in general obligation debt, of which revenues from the City's Enterprise Funds support \$178,059,226. The primary government also has \$40,000,000 in revenue bonds outstanding at year-end for the Electric Power Board, an Enterprise Fund. Two component units have revenue bonds outstanding. These include \$11,836,149 for the Metropolitan Airport Authority and \$129,200,000 in lease rental revenue bonds issued by the Southside Redevelopment Corporation.

Capital Project Funds. The City maintains about nine capital project funds. In FY 2002, keeping in line with the Mayors initiatives for Neighborhoods, there is an additional fund added to account for several Neighborhood Services projects. The total request for the 2002 fiscal year is \$47,177,000, this is 53.6 % over last year approved amount of \$30,712,077. The Capital Budget is under current review.

Enterprise Funds. The City maintains four enterprise operations as part of the primary government. Combined total assets at June 30, 2001, and operating revenues for the fiscal year were \$772.6 million and \$399.6 million, respectively. A brief discussion of the major operations follows:

The Electric Power Board, not presented in our presentation because it is a separate administrative agency of the government, exercises exclusive control and management of the Electric Distribution System. It is the sole distributor of the electric power within the boundaries of the City and County (587 square miles). It accounts for 89.7 percent of total Enterprise Fund operating revenues and reported a net income of \$5.3 million for the year ended June 30, 2001.

The Interceptor Sewer System of the City provides water and sewer services to customers on a self-supporting basis utilizing a rate structure designed to produce revenues sufficient to provide for debt service, operating expenses and adequate working capital. The strong commercial, industrial and residential growth in the City, along with increased federal mandates, has necessitated ongoing expansion of the Interceptor Sewer System. To illustrate, property, plant and equipment of the system in 1976 totaled \$68.8 million compared to \$297.2 million in 2001. The department accounts for more than 45.0 percent of total Enterprise Fund assets. The 2002 Budget is under current review. The proposed amount, including Debt Service and Capital is \$33,225,142. Proposed operations is \$17,615,687.

Transmittal Letter

The Solid Waste/Sanitation Fund was established in accordance with state mandate. This fund accounts for the operations of the City's landfill. Landfill fees are charged commercial customers for use of the landfill, while the cost of City landfill needs are financed through a General Fund subsidy. An aggressive capital program has been launched to meet landfill requirements set by the state and federal governments. This program is estimated to cost \$38.5 million over a ten-year period. The 2002 Budget is \$6,691,545. This reduction is due to the transfer of Garbage and Brush & Trash functions to the General Fund.

The Storm Water Fund accounts for the operations of the City's storm water management program as mandated by the Environmental Protection Agency and the state. The program is designed to produce revenues sufficient to provide for debt service, operating expenses and adequate working capital. Since the inception of this program in 1994, the investment in property, plant, and equipment has grown to \$35.5 million. The 2002 Budget is \$4,788,000. This is no change from last year's amount.

Internal Service Funds. The City maintains two Internal Service Funds. These funds provide goods or services to other governmental operating units such as departments, bureaus, and agencies. These funds charge for services. The two reporting funds are the Municipal Fleet Services Fund and the Liability Insurance Fund. The Fleet Services Fund's 2002 budget is \$9,850,000. This 15% increase is driven by the increase in salaries and the accumulation of Inventory Supplies for Fleet Services, netted against the 26% decrease in Liability Insurance claims.

Fiduciary Funds. The City maintains Expendable Trust Funds and Pension Trust Funds. The Expendable Trust Funds include Community Development Fund and Home Investment Fund used to account for assets held by the City as trustee. These funds are accounted for in the same manner as governmental funds. The Pension Trust Funds account for assets held by the City as trustee. These funds are accounted for in the same manner as business enterprises providing similar services. Total report Fiduciary Funds for FY 2002 is \$5,411,000. This 3% increase is a result of the continued efforts to meet the various types of housing needs for low and very low income residents of the City.

Below is a brief discussion about the employee pension system.

Retirement Plans. The City maintains three single-employer defined benefit pension plans which cover all employees. Each of these systems is maintained separately: one system (General Pension Plan) covers general City employees; a second plan covers employees of the Electric Power Board; and the third covers Firemen and Policemen. Each plan has its own consulting actuary. The following schedule shows the percentage amount of annual pension cost funded by the City for years currently available:

Pension Plan	UAAL	Funded Ratio
General Pension	(61,701,145)	139.80%
Fireman & Policemen	1,600,700	99.21%
Electric Power Board	0	100.00%

City management and the Pension Boards closely observe the future costs of both benefit

improvements and changes in retirement trends of employees. Recommendations of actuaries are carefully considered, and appropriate measures are taken to ensure that the pension plans are actuarially sound.

General Pension Plan. The City provides a general pension plan for permanent employees. All permanent employees hired after February 1, 1979 must join the plan as a condition of employment. Employee contributions are 2% of earnings subject to social security tax and 5% of earnings not subject to social security tax. The City Finance Officer is authorized to match all salaries of all participants in the General Pension Plan, however, since the General Pension is currently fully funded the City opted not to match contributions for FY2002.

Firemen's and Policemen's Insurance and Pension Fund. The City Finance Officer is authorized to match the total salaries of all participants in the Fire & Police Pension Fund with a contribution from the General Fund not to exceed twelve (12.24) percent. Each employee who is a participant in this Plan contributes 8% of total salary annually.

Electric Power Board Pension Plan. The Electric Power Board's plan is a single Employer Defined Benefit Pension Plan administered by an individual designated by EPB. Contribution requirements of Plan members and the EPB are established and can be amended by the EPB.

Effective August 1, 1984, the Board implemented a 401(k) plan, which permits employees to invest up to 7.5% of salary in a tax-deferred savings plan. EPB contributes up to 2.5% of the employee's salary.

Per Capita Budget

The citywide operating per capita budget for FY01 totals \$1,484.13 and for FY02 total \$1,610.42. This represents per capita growth of 2.0% and 8.5% respectively.

In each fiscal year, the City continue to give priority to Public Safety, Neighborhood Revitalization, Economic Growth, and Education which account for significant portions of departmental appropriations each year. Below is a summary chart that shows a comparison for two years actual and two budget years by program.

Program	Actual	Actual	Budget	Budget
	FY98/99	FY99/00	FY 00/01	FY 01/02
General Government	326.27	376.47	348.07	395.83
Finance & Administration	36.00	37.00	41.00	115.00
Public Safety	280.70	320.96	331.86	359.21
Public Works	453.81	483.51	508.20	481.31
Parks & Recreation	72.85	77.90	85.67	85.91
Debt Service	50.25	49.03	52.51	64.08
Social Services	122.40	109.78	116.82	109.08
Total	1,342.28	1,454.65	1,484.13	1,610.42

Transmittal Letter

Financial Assessment

Chattanooga continues its position of strong fiscal strength enjoyed over the past several years. The City is in the best fiscal condition it has been in over 29 years and our outlook is improving. Over the years, through strong fiscal management, Chattanooga has positioned itself well to weather economic downturns, create a positive atmosphere for economic development, and provide greater flexibility on budgetary issues.

Fund Balances

One measure of a city's financial strength is the level of its fund balances. The City's estimated unrestricted fund balance in the general fund will amount to approximately \$28 million as of June 30, 2001. This balance assumes no change in the current fund balance. Our recommended guideline for general fund balance coverage is 20% of general fund revenues.

Financial Reserves

Another indicator of a city's financial strength is the level of financial reserves. Over the years the City has established financial reserves to absorb unforeseen liabilities. The City also has \$3.97 million in debt service reserves at June 30, 2001 monies that will help stabilize and fund future debt service obligations. Included in this budget and financed from current revenues are \$.5 million that will protect us against unanticipated emergencies.

Bond Ratings

The City has maintained a "AA" rating from Standard & Poor's and Fitch Investor's Service. Both agencies cite sound financial management, fund balance reserves, the debt retirement policy, and a history of pay-as-you-go capital financing as justification for the favorable ratings.

Conclusion

With final budget adoption, I want to thank the Mayor and City Council, citizens and City staff for their time and effort throughout this budget process.

Respectfully submitted,



James S. Boney,
Finance Administrator



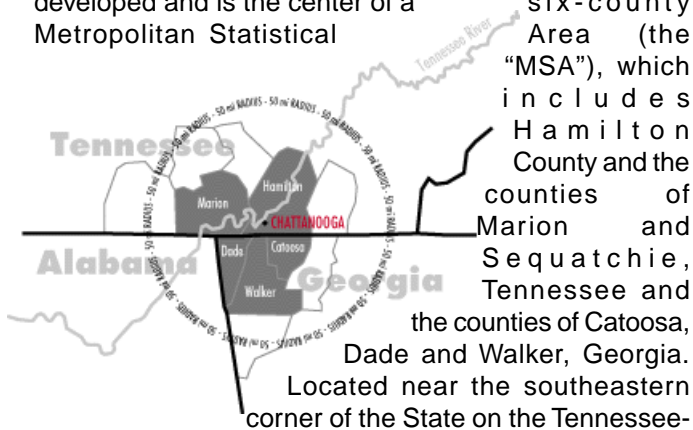
Budget Award



The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the City of Chattanooga for its annual budget for the fiscal year beginning July 1, 2000. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, an operations guide, as a financial plan and as a communication device. The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

History & Development

Founded in 1816, by the leader of the Cherokee Indians, Chief John Ross, the City of Chattanooga was created on the site of Ross's Landing trading post. Chattanooga, a Cherokee word for "Rock coming to a point" was incorporated under State of Tennessee Private Acts of 1839. Today the City serves as the County seat of Hamilton County, is commercially and industrially developed and is the center of a Metropolitan Statistical



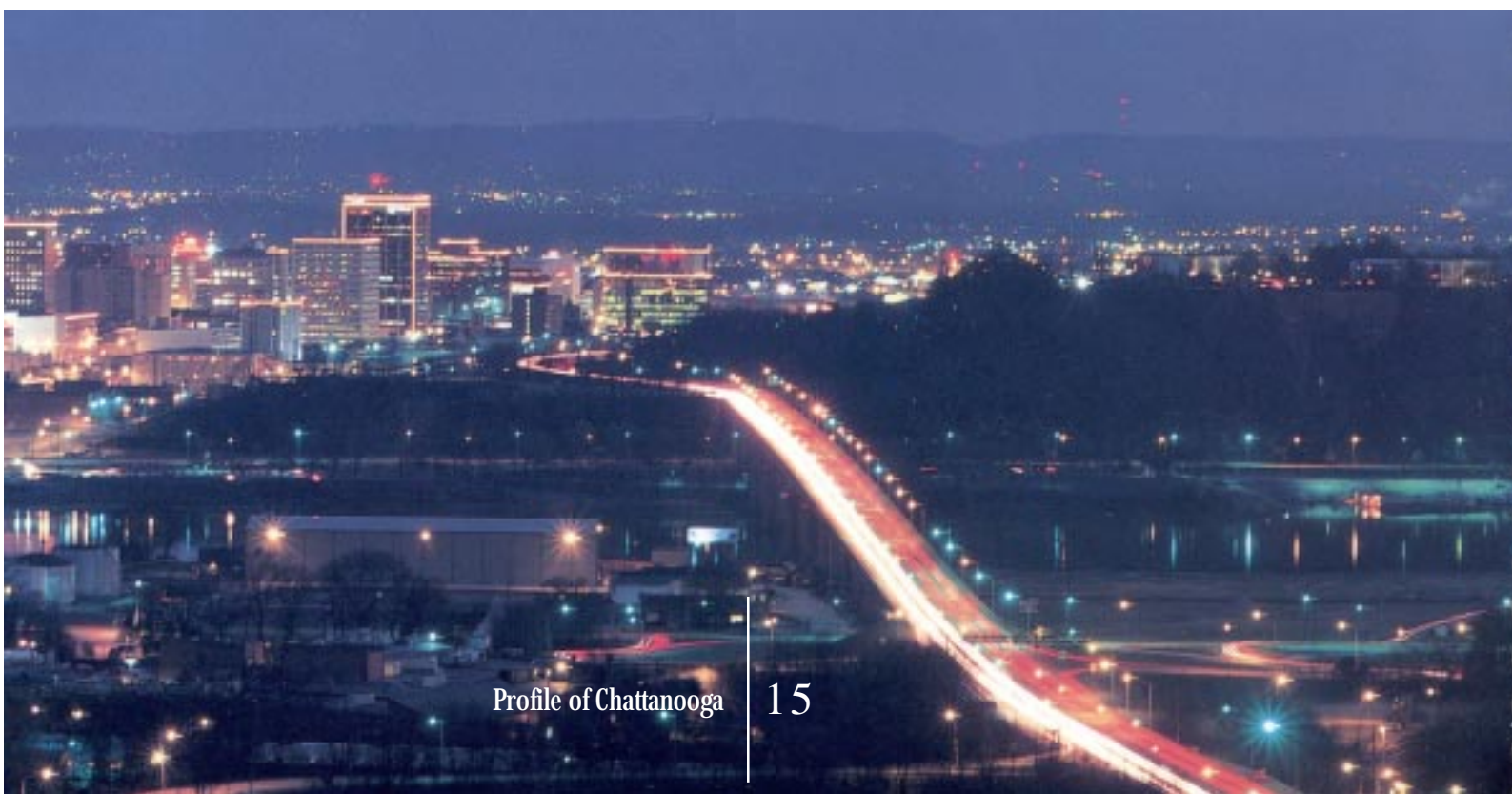
Located near the southeastern corner of the State on the Tennessee-Georgia border, the City encompasses an area of 126.9 square miles. The Tennessee River flows through the center of the City, which has a diversified terrain. The MSA is centrally located in relation to other major population centers of the Southeast, being within a 150-mile radius of Knoxville and Nashville, Tennessee; Birmingham, Alabama and Atlanta, Georgia.

Industrial and Economic Development

The area's central location makes it a perfect distribution center for the eastern United States. Supplies and products for industry flow easily to and from the Chattanooga area by way of an extensive network of highway, water, air and rail transportation systems. Beyond its advantages as a business location, Chattanooga is blessed with beautiful natural surroundings. A gracious life-style results from the community's commitment to preserving its culture and supporting the arts. Chattanooga offers excellence in education and quality health care as well as a virtually unlimited range of recreational activities – all at one of the lowest costs of living in the nation.

Chattanooga, known in the 1930's as the "Dynamo of Dixie", is one of the nation's oldest manufacturing cities with 18.8 percent of its employment in that sector. However, there is no single dominating industry. Economic advantages such as ample utilities, an efficient transportation system, abundant natural resources, a trained labor force and centralized location make Chattanooga a diversified and profitable business location. This largely accounts for the City's low unemployment rate, which stands at 3.2 percent as of September, 2001. This is comparable to the nation's unemployment rate of 4.2 percent and the state rate of 4.0 percent.

The City has undergone a renaissance that can be surpassed by no other city of its size. The City's rebirth, which began in 1982 with the establishment of the Moccasin Bend Task Force, has resulted in nearly \$1 billion of investments in developments such as retail,



restaurants, office space, housing, and tourist attractions.

Coolidge Park is the latest addition to the Tennessee Riverpark. Located on Chattanooga's north shore waterfront, the park encompasses ten acres and includes a pavilion, green space, walkways and fountains, and a 3-row vintage carousel, designed by Gustave Denzel. Originally built in 1895, the carousel was moved to Chattanooga, then restored and fitted with 52 animals carved and painted by local and out of town sculptors. Thousands of visitors to the park each year has spurred a re-vitalization of the entire area north of the river from downtown. Many new businesses have been established, and the area has become a much-desired residential area once again, with the renovation of many older homes as well as construction of new residential living space.

Three years ago, the State granted approval of a development mechanism known as the Tourist Development Zone (TDZ), which encompasses the heart of Chattanooga's downtown. The zone, known as the Southside Redevelopment District, is comprised of three districts — the Aquarium/Ross's Landing District, the Central Business District and the Southside Redevelopment District. The City, through the Southside Redevelopment Corporation, is in the final phase of this project. The development will be supported by allocations of incremental increases in state and local sales and use tax revenues. Four facilities will contain more than 631,210 square feet and cost in excess of \$117.7 million. It is anticipated that this investment planned will leverage more than \$400 million in private investment by 2006.

The Southside Redevelopment District is an opportunity to create a model community by rebuilding the District's job base and revitalize housing opportunities. In the heart of the TDZ is the convention and conference complex that includes four public use facilities as follows. Three of the four facilities are complete and operational.

The Chattanooga — a 208,210 square foot residential meeting facility opened in April 2001. This conference and training facility is targeted for upscale small-to medium-sized groups of less than 250 people with 200 guest rooms and 27,000 square feet of fully equipped meeting room space. — Cost: \$43.5 million.

New Parking Facility — located between the conference and training center and the trade center, the new 1,029-space parking facility, which opened in April 2001, is designed to serve the needs of increased traffic in the convention and conference complex and replacement parking. — Cost: \$10.8 million.

Development Resource Center — a new facility that will exhibit improved efficiencies that can be achieved by utilizing best building practices in its own design and operation thus serving as a model for better ways to develop a sustainable community. This 85,000 square foot facility, which will open in December, 2001, is located one block from the conference and training center. — Cost: \$11 million.



Chattanooga-Hamilton County Convention and Trade Center Expansion – a 226,000 square foot addition to the successful Convention and Trade Center, currently under construction, will enable the community to attract more and larger conventions, meetings and trade shows. The expansion will more than double the size of the current facility, adding new exhibit space, meeting and banquet rooms. – Cost: \$50 million.

The developments that have taken place throughout the North Shore, the Central Business District, and the Southside have come together to make the downtown Chattanooga area a gathering place for night and family and recreational activity. Additional investments spurred by these successes include a new school in the Southside, currently under construction, which represents the first new school building in the downtown area in decades; renovation of a former office building into a school for children with special needs, revitalization of a department store building as a premier downtown housing development, a new bank branch, plans to convert a vacant warehouse into professional office space, a proposal to build a new hotel next to the Trade Center, the opening of a new office building in the central business district, and plans to renovate several other historic buildings in the downtown area.

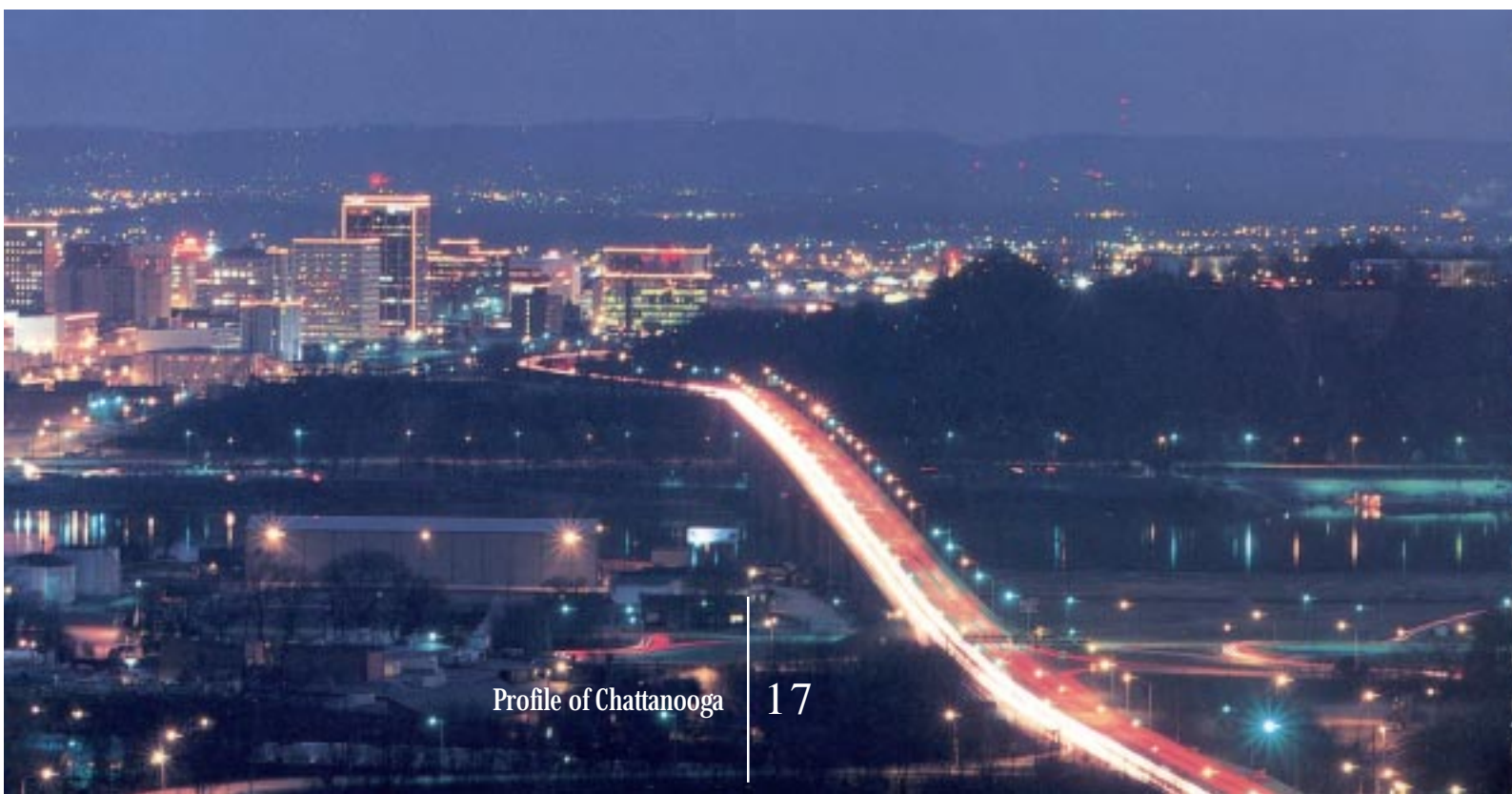
Neighborhoods and quality, affordable housing continue to be a priority in the community. The Chattanooga Neighborhood Enterprise broke ground on a 20-unit apartment building within eyesight for the University of Tennessee at Chattanooga. This unit will complement

new housing units already built in the area.

The City continues to implement, through the Chattanooga Housing Authority, the HOPE VI Grant. This \$35 million grant from the Department of Housing and Urban Development (HUD) anchors a \$159 million project to replace the Spencer J. McCallie Homes and revitalize the surrounding Alton Park neighborhood. Coupled with the Alton Park Development Corporation's master plan, the HOPE VI grant will bring about a major revitalization of one of the City's most depressed neighborhoods.

Despite the global attention to Chattanooga's downtown and environmental successes, economic growth in Chattanooga trails most of the rest of the South. During the 1990s, Chattanooga added jobs at only half the pace of the rest of the state. City officials have focused efforts on ways to reverse this trend of slow employment growth. The business culture in Chattanooga is on the verge of change. A venture capital firm with \$45 million in assets has been recruited to set up an office here. This will give entrepreneurs the needed access to capital that has been scarce in our local business environment. Additionally, \$1.5 million has been allocated by the City to target creation of new minority-owned businesses. The Chamber of Commerce, charged with the task to oversee economic development, has implemented its plan for a larger economic recruitment program. This will include hiring of a business recruitment expert as part of its long-term plan to create more jobs.

Chattanooga is also poised on the leading edge of the technological age. The Electric Power Board of Chattanooga has donated a portion of its nearly 60 miles



fiber optic ring for economic development. This move is anticipated to create a high speed information corridor allowing Chattanooga to become a hub for future research, information sharing, and job growth. This hub has already attracted a new long distance firm to locate in the heart of the central business district, bringing new jobs to the area.

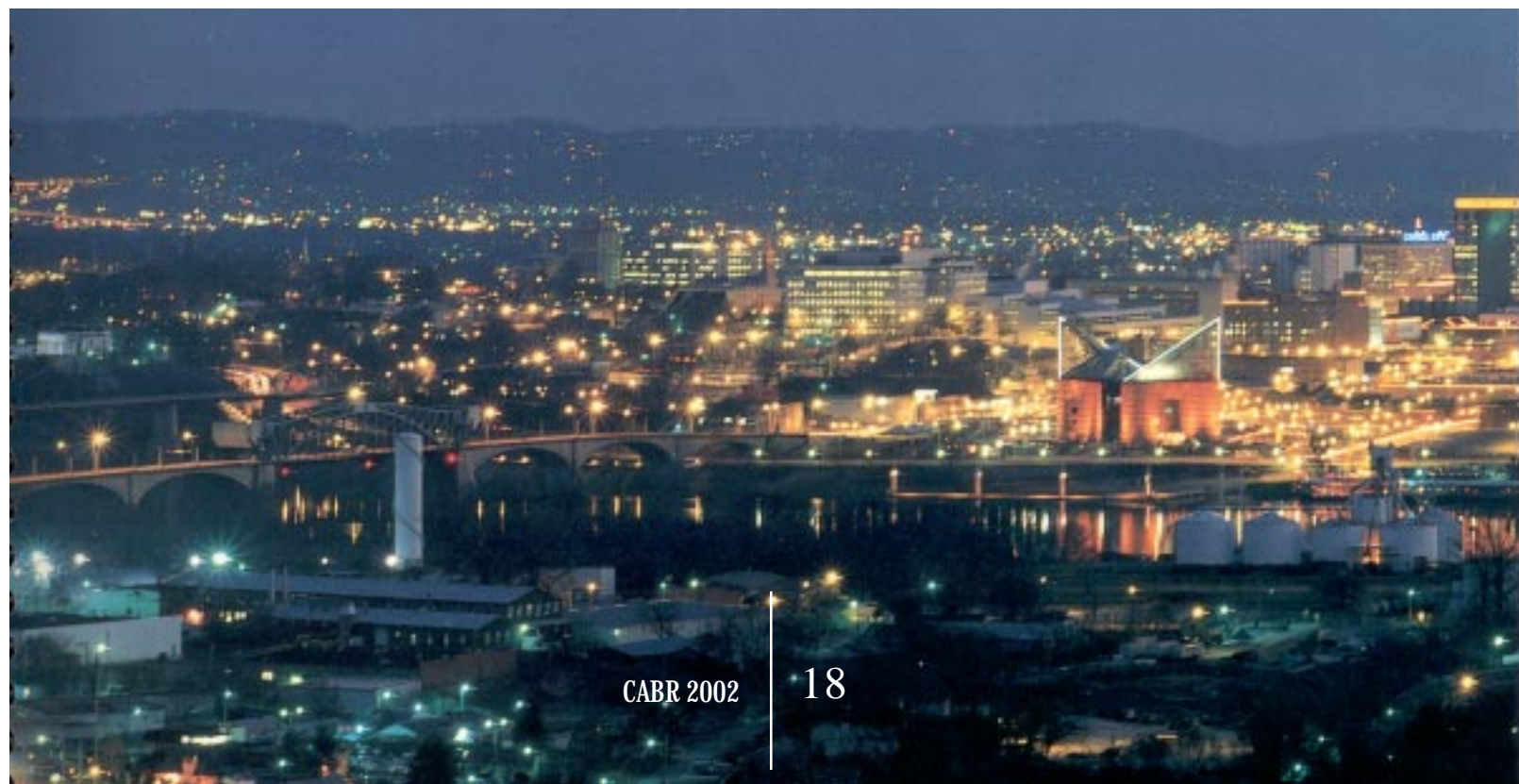
City and County officials have initiated plans for the development of the old Volunteer Army Ammunition Plant site. The \$7.5 million investment by the City and County provides a 940-acre tract, located within 2 miles of Interstate 75, approximately 700 acres of which can be made available for industrial development almost immediately. This is the largest block of land available within the city limits in several decades. Infrastructure is in place to support a wide range of manufacturing and industrial uses. The entire site exceeds 6,000 acres, and efforts continue to acquire the remaining portions for industrial and recreational uses.

Hamilton Place Mall, Tennessee's largest, and now in its thirteenth year of operation, remains a magnet for millions of people. The 1.4 million-square-foot mall has brought in many tourist and locals with a savvy mix of new and familiar stores, theme restaurants and movie theaters. Thanks to the mall, the area has become a retail hotbed with more than 15 million visitors a year. Sales at Hamilton Place have grown steadily over the past decade and now average 30 percent above the national average for regional malls. That success has quickly spilled across Gunbarrel Road and Interstate 75. The number of businesses and amount of traffic in the mall area has

more than doubled over the past decade. CBL and Associates, the mall's owner and developer of major retail space nation wide, has begun development of a multi-acre site on the south perimeter of the mall. Phase I is the construction of their new national headquarters office building, expected to be completed in January.

The City's two biggest local revenue sources are sales and property taxes. The local option sales tax rate is 2.25 percent (1.75 percent county-wide and .5 percent city only). The additional revenues generated by the ½ percent city only sales taxes are earmarked for schools and economic development. Following two successive reductions the property tax rate has remained at \$2.31 per \$100 assessed valuation for the past four years.

The City's capital initiatives reflect its continual commitment to economic development and long term sustainability of the City. In addition to the operating budget over \$30.7 million was appropriated for major initiatives. These include \$3.3 million for continued implementation of the RECREATE2008 plan which is a 10-year, \$65 million plan to upgrade the City's parks and playgrounds; \$14.3 million for various public works projects such as paving , street improvement, curbs, gutters and sidewalks, downtown streetscape, and equipment replacement; \$3.5 million for the Development Resource Center; \$1.6 million for fire vehicles and other equipment; \$4.2 million for police fleet replacement, building renovation and miscellaneous equipment; \$1.3 million for major building repairs.



Awards of Achievement

In addition to the development in and around town, the City was privileged to receive the 1994 City Livability Award for its *Renaissance on the River* presentation. The United States Conference of Mayors established the City Livability Awards Program to honor the outstanding leadership of Mayors devoted to enhancing "livability" across the country. The award highlights the mayors' commitment to improving cities and their encouragement of the diverse creativity in our community. The focus for the 1994 City Livability Awards was on the arts and culture. Chattanooga was also designated as one of America's most livable communities by Partners for Livable Places in Washington, D.C. In January 1995, the President's Council on Sustainable Development Conference was conducted in the City of Chattanooga.

On March 28, 1996 in Toronto, Canada, the City of Chattanooga was selected by the Best Practices Jury as one of 12 winners of the Tokyo and Dubar "Awards of Excellence in Improving the Living Environment". This initiative was given special recognition at the City Summit in Istanbul, Turkey at a special awards ceremony June 4, 1996. The award included a special plaque, a scroll, and a grant that was used to cover costs of travel and per diem for two people directly involved in The Best Practice project.

- One of six cities in the world featured

by U.S. News & World Report last year as "Cities that Work."

- One of America's 10 most family-friendly cities to visit, according to Family fun magazine last year.
- One of the "Reborn Cities" profiled by Parade magazine earlier this year.
- One of the 10 "Most Enlightened Cities" featured by Utne Reader magazine.
- One of "America's Best Walking Cities" saluted by Walking Magazine.

We are honored with the distinction of receiving, for the past nine years, the Certificate of Achievement for Excellence in Financial Reporting for our preparation of state and local government financial reports. The Fiscal Year 2001 CAFR is currently being submitted for review.

Also, for five years we were honored with the distinction of receiving the Distinguished Budget Presentation Award.



In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device. The award is valid for a period of one year only. We believe our 2002 budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



Form of Government

The City operates under a Mayor/Council form of government. The Mayor is elected at-large and is not a member of the City Council. The Council is composed of nine members, with each member being elected from one of nine districts within the geographic boundaries of the City. The Mayor and Council are elected for four-year terms. The Mayor is the City's chief executive officer and oversees the operation of all City departments including the seven principal departments – Fire, Police, Parks Recreation, Arts & Culture, Finance and Administration, Human Services, Public Works and General Services. The City employs approximately 2,670 full-time employees and approximately 200 part-time employees. The City's Electric Power Board has an additional 447 employees.

Date of Organization: 1839

Form of Government: Council/Mayor,

Chattanooga City Government	
Government Type	Mayor/Council
Police Officers	472
Police Vehicles	400
Firefighters	399
Equipment	70
Insurance Rate	Class 3

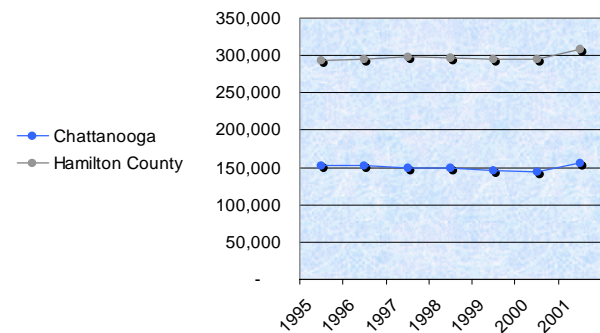
Source: City of Chattanooga

Demographics

During 1995 thru 2001, the population for Chattanooga show an increase of approximated 2%. The population for Hamilton County shows a 5% increase, respectively.

Population		
	Chattanooga	Hamilton County
1995	152,642	294,070
1996	153,154	295,183
1997	149,513	299,320
1998	148,820	296,468
1999	146,615	294,897
2000	144,776	294,982
2001	155,554	307,896

Source: Chamber of Commerce



Land Area and Usage

Area per Square Mile

1950.....	28.0
1960.....	36.7
1970.....	52.5
1980.....	126.9
1990.....	126.9
2000.....	144.1

The county's land use is predominately agricultural woodland with approximately 73,419 acres or 21.2% having been developed.

Miles of Streets (City)

Paved.....1,100

Miles of Streets (County)

Paved.....2,239

Unpaved.....180

Elections (County-wide):

Registered Voters.....	189,559
Votes Cast in Last Election.....	120,584
Registered Voters Voting.....	63.61%

Source: County Election Commission (October 2001)

Racial Composition

	City	County
Asian & Pacific Islanders	2.00%	1.6%
African-American	36.7	20.6
Caucasian	60.7	77.3
Other	1.4	1.1

Source: Chamber of Commerce

Median Household Effective Buying Income

Chattanooga.....	\$28,919
Tennessee.....	\$31,464
United States.....	\$34,618

Source: Sales & Marketing Management Survey of Buying Power

Housing Units-Chattanooga

Total Housing Units.....	72,108
Single Unit Structures.....	60.2%
Owner Occupied.....	54.9%
Median value of Owner-Occupied Housing.....	\$54,100

Source: National Decision Systems

Per Capita Income

	Hamilton Co.	Growth Rate	Chattanooga MSA	Growth Rate
1995	\$18,365	8.30%	\$16,355	6.80%
1996	19,046	3.7	17,007	4
1997	19,350	1.6	17,310	1.8
1998	20,232	4.6	18,308	5.8
1999	21,710	7.3	19,464	6.3
2000	22,587	4	20,320	4.4

Source: Chamber of Commerce



Service Statistics

Education

There are 79 public schools in the Hamilton County area with a combined enrollment of 40,112. The type of schools and number in County is as follows: Elementary (46); Middle (16); Middle thru High (3); Senior High (12); Kindergarten thru eight, eleven, & 12 (2)

There are 27 private and parochial schools in the Hamilton County area with combined enrollment of 11,000. The type of school and number in County is as follows: Parochial (18); Elementary (6); Preparatory (3).

Facilities

Convention & Meeting Facilities (Capacity)

Soldier's and Sailor's Memorial Auditorium (4,843); Chattanooga-Hamilton County Convention & Trade Center (7,500); Tivoli Theater (1,800); UTC Roundhouse Arena (12,000); Engel Stadium (7,000); UTC Chamberlain Field (12,500); Finley Stadium (20,000)

Cultural Activities & Facilities

Hunter Museum of American Art, the Houston Museum of Decorative Arts, Bluff View Art District, Chattanooga Ballet, Chattanooga Theatre Center, UTC Fine Arts Center, the Chattanooga Symphony and Opera Association, the Arts & Education Council, the Chattanooga Boys Choir, and the Chattanooga Girls Choir, Bessie Smith Performance Hall, Afro-American Museum

Recreational Facilities

- 49 Parks
- 17 Golf Courses
- 19 Recreation Centers
- 48 Summer Playgrounds
- 79 Ball Fields
- 200 Public & Private Tennis Courts
- 55 Swimming Pools
- 15 Theaters
- 3 Bowling Alleys

Transportation

Airport: Lovell Field operated by the Chattanooga Metropolitan Airport Authority.

Airline carriers: US Airways, American Eagle, Northwest Airlink, Comair, Atlantic Southeastern Airlines, US Air Express

Privately owned and operated airport facilities: Collegedale Municipal Airport and Dallas Bay Skypark

Railway service: Norfolk Southern Railway System and CSX Transportation System

Local mass transportation service: Chattanooga Area Regional Transportation Authority
Buses 68 Routes 16

Highways:
Interstate highways 3 US highways 7
State highways 5



Customer Services

Electric Power Board

Customers.....153,748
Rate.....\$0.0631/ kw-hr

Public Works:

Solid Waste Collected (tons).....453.320
Street Miles (Center line).....276miles
Signalized Intersections.....260

Interceptor Sewer System:

Total Investment.....\$100 million
Volumes:

- " Approx. 61.1 MGD or 22.3 billion gallons per year
- " 52.4 mil lbs/yr CBOD removed at 94.3% efficiency
- " 153.5 mil lbs/year Suspended Solids removed at 97.9% efficiency
- " 23,409 tons/yr dewatered sludge to Landfill
- " 3.5 million gallons of septage per year

Waste Load Distribution:

- " 50% Domestic Waste approx. 220,000 persons
- " 50% Industrial Waste 100 permitted industries

Areas Served.....11
Sewer and Pump Stations:
Miles of sewer.....1,200
Diameter.....4 to 84inches
Major Pump Stations.....7
Minor Pump Stations.....48
Residential/Grinder Stations.....121

Police Protection

Sworn Officers.....472
Crime Index.....14,688
Crime rate (per 1,000 pop.).....93.84
Traffic Accidents.....13,502
Traffic Citations.....26,110
Calls for Service.....159,286
Average response time.....4.12 min

Fire Protection

Sworn Officers.....399
Fire Stations.....20
First Line Fire Trucks.....8
First Line Fire Engines.....17
Fire Runs.....5,100
EMS Runs.....5,200
Average response time:
Fire.....4.5min
Medic.....4.5min

Economic

Bond Ratings

Fitch.....AA
Standard & Poor's.....AA

Building Permits Issued & Value

1994.....2,106.....188,231,830
1995.....2,109.....215,706,030
1996.....2,258.....289,913,419
1997.....2,343.....236,856,304
1998.....2,338.....286,159,625
1999.....2,263.....304,112,845
2000.....2,421.....283,589,165

Source: City Building Inspection Department



Largest Employers in the Chattanooga Area

The largest employers within the Chattanooga area in the manufacturing and non-manufacturing sectors are:

TOP 10 NON-MANUFACTURERS

<u>Employer</u>	<u>Number of Employees</u>	<u>Type of Service</u>
Covenant Transport	6,105	Trucking
Hamilton County Dept. of Education	6,074	Elementary & Secondary Schools
Blue Cross & Blue Shield of Tenn.	3,664	Insurance
Tennessee Valley Authority	3,212	Utility Electric Service
Bi-Lo, Incorp.	3,206	Grocery Store
Erlanger Medical Center	2,882	Hospital
City of Chattanooga	2,847	Government
Memorial Hospital	2,500	Hospital
UnumProvident Corp.	2,341	Insurance
CIGNA Health Care	1,841	Insurance

TOP 10 MANUFACTURERS

<u>Employer</u>	<u>Number of Employees</u>	<u>Type of Service</u>
McKee Foods Corp.	3,000	Cakes & Cookies
North American Royalties	2,002	Grey Iron, Castings, Oil Prod.
Roper Corp.	1,950	Cooking Ranges
Synthetic Industries	1,900	Carpet Backing
DuPont Company	1,520	Synthetic Yarn
Con Agra (formerly Seaboard Farms)	1,410	Process Boiler Chickens
Astec Industries, Inc.	1,401	Asphalt, & Dust Collectors
Shaw Industries	1,182	Carpet
Olan Mills, Inc.	1,000	Portrait Studio
US Pipe and Foundry	750	Iron Pressure Fittings

Source: City of Chattanooga, Tennessee

Home-Grown National Names
These are just a few of the brands known around the nation that are made in Chattanooga by Chamber members.

- BIG RIVER GRILLE**
From one barbeque restaurant in 1981, this Chattanooga company has grown to 13 restaurants, expanding so rapidly that Inc. Magazine named it one of the nation's fastest growing companies.
- CHATTEM**
This Chattanooga manufacturer makes dozens of familiar consumer products.
- COCA-COLA BOTTLING**
The world's favorite soft-drinks first put into bottles in Chattanooga in 1898.
- Krystal**
The little square hamburgers got their start in Chattanooga, and the company is headquartered here.
- LITTLE DEBBIE**
McKee Foods, the company that makes America's number one snack cake, is headquartered in and operated in Chattanooga.
- OLAN MILLS**
The company that makes all those family portraits and school pictures is headquartered here.
- ROCK CITY**
One of the best known destinations in the South, thanks to hundreds of "See Rock City" signs.

City Officials as of July 1, 2001

Mayor:

Robert Corker

Chief of Staff:

Mike Compton

City Council:

John Lively	District 1		
Sally Robinson	District 2	Ron Littlefield	District 6
Dan Page	District 3	John Taylor	District 7
Jack Benson	District 4	Leamon Pierce	District 8
John P. Franklin Jr.	District 5	Yusuf A. Hakeem	District 9

Legislative Staff:

Carol K. O'Neal, Clerk of the Council

Legal:

Randall Nelson, City Attorney

City Court:

Walter F. Williams, City Court Judge

Russell Bean, City Court Judge

Ed Hammonds, City Court Clerk

Department Administrators and Directors:

Finance & Administration:

James S. Boney, Administrator

Daisy W. Madison, Deputy Administrator

Human Services:

Bernadine Turner, Administrator

Tommie Pruitt, Deputy Administrator

Police: Jimmie L. Dotson, Chief

Personnel:

Donna Kelley, Administrator

Fire: Jim M. Coppinger, Chief

Neighborhood Services:

Kenardo Curry, Administrator

Public Works:

Bill McDonald, Administrator

Beverly Johnson, Deputy Administrator

Community Development:

Rayburn Traugher, CD Administrator

Regional Planning Agency:

Barry Bennett, Director

Parks & Recreation:

Jerry Mitchell, Administrator

Janice Miller-Hester, Deputy Administrator

Air Pollution Control:

Robert H. Colby, Director

Chattanooga-Hamilton County Bicentennial Library:

Jane McFarland, Director

Scenic Cities Beautiful:

Carolyn Skipper, Director



Yusuf A. Hakeem – District 9
Chairman of the Council



John Lively – District 1



Sally Robinson – District 2



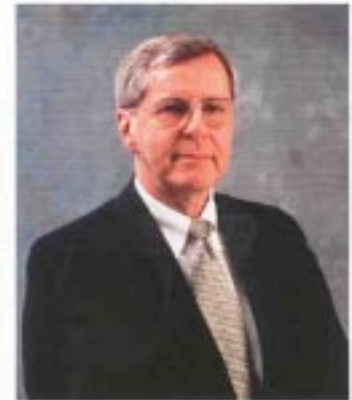
Dan Page – District 3



Jack Benson – District 4



John P. Franklin – District 5



Ron Littlefield – District 6



John Taylor – District 7



Leamon Pierce – District 8

Meet US

Photos © 2001 Med Dement House of Photography

Mayor

Mayor, Robert P. Corker

Mayor Bob Corker graduated from the University of Tennessee in 1974 with a Bachelor of Science Degree in Industrial Management. He began his career in 1974 as a Project Manager and Construction Superintendent until he founded Bencor Corporation in 1978. Bencor specialized in building retail shopping centers and operated in 18 states.

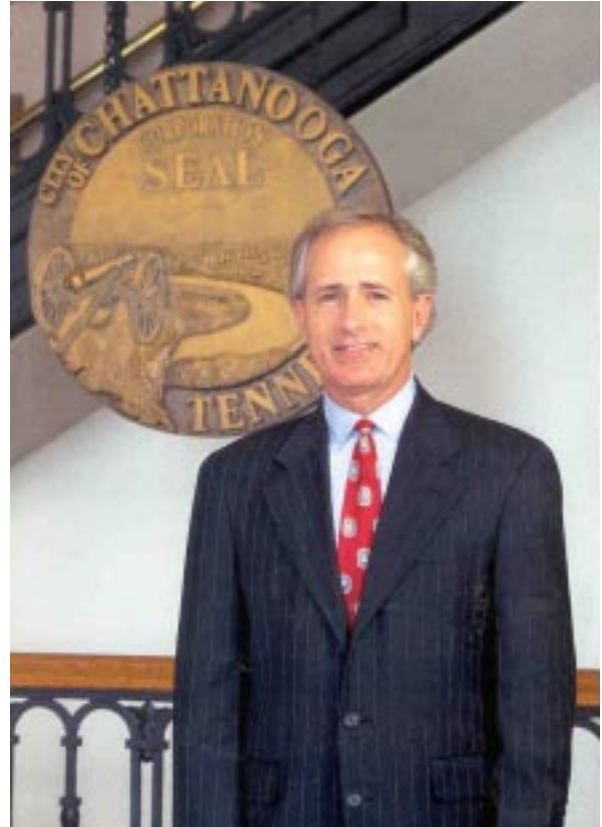
Over time, the acquisition of real estate and other investments became Mayor Corker's business focus and the construction arm of his company was sold in 1990. In 1999, he acquired Osborne Building Corporation and Stone Fort Land Company, the two largest and most historic real estate companies in Chattanooga.

In 1986, Mayor Corker led the creation of Chattanooga Neighborhood Enterprise (CNE), a non-profit, public/private partnership, and served as its founding Chairman. Through the hard work of a diverse group of community participants, CNE has become a national model for neighborhood revitalization, having invested more than \$200 million dollars and having helped more than 6,000 families in Chattanooga find decent, fit and affordable housing.

In 1995, Mayor Corker was recruited to serve as Commissioner of Finance and Administration for the State of Tennessee. There, he was widely acclaimed for his ability to bring together people from both sides of the aisle to solve problems. Among his responsibilities were the preparation and implementation of Tennessee's \$13 billion state budget and overseeing the general operations of the state.

In March of 2001, Bob Corker was elected Mayor of Chattanooga, earning 54% of the vote and a first ballot victory in a crowded field of eleven candidates.

Mayor Corker serves, or has served, on the board of directors of the University of Chattanooga Foundation, Chattanooga Housing Authority, Chattanooga Neighborhood Enterprise, U.S. Xpress Enterprises, Inc., River City Company, American National Bank and Trust Company, Siskin Memorial Foundation, Creative



Discovery Museum, Regional Planning Agency, Southside Development Corporation, Memorial Hospital, Tennessee Housing Development Agency, Chattanooga Venture, Chattanooga Chamber of Commerce, Associated General Contractors, the Executive Committee of the United Way, the Rotary Club and the Urban League. He is past Chairman of the Administrative Board and past Finance Chairman of First Centenary United Methodist Church and a past member of the University of Tennessee at Chattanooga Chancellor's Roundtable. Mayor Corker is a former member of the Governor's Task Force on Low-Income Housing as well as a former Trustee of the Tri-State Carpenters' Fringe Benefit Fund.

The Mayor and his family are members of St. Paul's Episcopal Church. He and his wife, Elizabeth, and their two daughters, Julia (13) and Emily (11) live in North Chattanooga.

Council Members

John Lively, District 1

Mr. Lively had never been involved in politics before friends talked him into running in 1990. "He says that it is "more difficult to govern...to get things done...than most people realize." His special interest is cutting waste from city's budget. Lively worked in sales and marketing for General Mills for 20 years and is still active in the business world selling commercial waste removal services to contractors and others. He attended Central High and UTC, and put in 35 years of active service in the National Guard. Lively was a football official with the Tennessee Secondary School Athletic Association for 20 years spending many Friday nights refereeing games around the region. Lively is Deacon of Lookout Valley Baptist Church, a choir member and Sunday school teacher. Lively and his wife Margie Bryan, have been married for 35 years and have three daughters.

Represents citizens in areas: Mountain Creek, Northwoods North, Valley View East, Wauhatchie
Phone: 757-5196
Address: 263 Garden Road, Chattanooga, TN 37419

Sally Robinson, District 2

Sally Robinson has been involved in downtown revitalization and riverfront development in Chattanooga since 1980 as a founding member of the Riverbend Festival, and has volunteered through the years on the Moccasin Bend Task Force, Walnut Street Bridge Restoration, Cornerstones Historic Preservation and Friends of Moccasin Bend National Park. She is past executive director of the Arts & Education Council where she worked to establish the Chattanooga Conference on Southern Literature. Ms. Robinson is past executive director of Chattanooga Downtown Partnership where she expanded the Nightfall Concerts, established the Downtown Business and Merchants Roundtable Association, and developed seasonal activities promoting downtown year-round. She has served on the board of the International Downtown Association, and was elected to City Council in 2001. Ms. Robinson attended the University of North Carolina and graduated from the University of Tennessee-Chattanooga. Ms. Robinson is a member of St. Paul's Episcopal Church. She is married to attorney Sam Robinson and has four children and one grandchild

Represents citizens in areas: Lupton City, North Chattanooga, Northgate, Northwoods South, Riverview, and Stuart Heights
Phone: 757-5196
Address: 1068 Constitution Dr. - Chattanooga, TN 37405

Dan Page, District 3

Councilman Dan Page, in his first venture into politics, was elected to the Council in 2001. Dan, a lifelong resident of Chattanooga, is founder and president of Greenleaf Health Systems. He grew up in the Avondale-East Chattanooga area and graduated from Central High School. He earned a Masters Degree from the University of Tennessee at Chattanooga and completed post-graduate studies at the University of Tennessee at Knoxville. Dan currently resides with his wife of 37 years, Shirley Lowe Page, in the Hixson area. They are actively involved at Trinity Lutheran Church. Dan Page has had a successful business career while raising two sons, Brent and Brian, who graduated from Chattanooga public schools...Hixson High School and Chattanooga High School of the Performing Arts. Dan is a Rotarian, a Trustee Emeritus of Newberry College, has been a board member of the North Chickamauga Creek Conservancy and the North River YMCA. He served on the core group that initiated the Interfaith Hospitality Network of Greater Chattanooga and has been involved with Northside Neighborhood House. Dan's interest is to continue helping people by listening to the citizens and providing them leadership with a strong voice. He believes public service is of the highest calling. He supports encouraging better community planning and promoting a strong business climate for Chattanooga.

Represents citizens in areas: Dupont, Hixson 1, Hixson 2, Kingsport, Lake Hills, Murray Hills
Phone: 757-5196
Address: 6315 Ridge Lake Rd. - Hixson, TN 37343

Jack Benson, District 4

W. Jack Benson, B.S. Peabody at Vanderbilt, M. Ed. University of Chattanooga, Post Graduate at University of Tennessee at Knoxville. He is presently serving on the Chattanooga City Council as Councilman from District 4.

Mr Benson served for 35 years in the Chattanooga Public School System as an elementary and junior high teacher and then as principal of two elementary schools and two junior high schools. He then moved to a system-wide position at the administrative office where he served as Director of Curriculum and as the Assistant to the Superintendent. After retirement from the school system Mr Benson served as the Executive Director of the Chattanooga Big Brothers/Big Sisters Association.

Mr Benson is a Past-President of the Association of United Way Agency Directors. He has also served on the boards of the National Education Association; Tennessee

Council Members

Education Association; Southern Association of College and Secondary Schools; Chattanooga/Hamilton County Planning Commission; Tele-scripps Cable Access; Council of Alcohol and Drug Abuse Services; Chattanooga Education Association; United Way Allocation Panel; Armed Forces Committee; Camp Ocoee; and Boy Scout Exposition.

Represents citizens in areas: Concord 1, Concord 2, East Brainerd, Tyner

Phone: 757-5196

Address: 8510 Chambers Rd. – Chattanooga, TN 37421

John P. Franklin, Jr., District 5

John Franklin—better known as Duke—was elected in 1998. He graduated from Brainerd High where he excelled in football and track. He received a business degree from Hampton University. Duke is a third-generation director of Franklin-Strickland Funeral Home, and past president of the Tennessee Funeral Director's Association. He has served on numerous boards including Partners for Academic Excellence, Chamber of Commerce, Jewish Community Center, and Zoning Board of Appeals for Variance and Special Permits. The Councilman is interested in improving the climate for new and existing business and upgrading property values in his district. Duke is an avid golfer.

Represents citizens in areas: Airport, Bonny Oaks, Dalewood, Eastdale, Woodmore

Phone: 757-5196

Address: 2233 Nimitz St. – Chattanooga, TN 37406

Ron Littlefield, District 6

Ron Littlefield is a professional city planner with 32 years of experience working with cities, counties, states and private sector organizations.

He was the first director of Chattanooga's combined city/county/chamber of commerce economic development office where, in 1981, he initiated the annual leadership visits to dynamic cities such as Indianapolis, Baltimore and Charlotte that have inspired a number of major Chattanooga projects.

In 1984, he was an incorporator and initial Executive Director of Chattanooga Venture where he led the successful Vision 2000 planning program -credited with shaping the communities grand scale ideas for riverfront and downtown redevelopment

Subsequently, he was elected Commissioner of Public Works for the City of Chattanooga where he had opportunities to implement plans for restoration of the Walnut Street Bridge and construction of streets, sewers and other infrastructure associated with the Tennessee

Aquarium and related projects.

Later following a change in the form of local government, he became the first Chairman of the new Chattanooga City Council and helped to guide the community's transition from the old form of government to the new.

During an eight-year hiatus from public office, Littlefield worked as a planning consultant for a number of public and private clients on a wide variety of development projects. In 1998, he was recruited by Mayor Jon Kinsey to assist with proposals for a high-speed passenger rail connection between Chattanooga and Atlanta.

In April of 2001, he was reelected to the Chattanooga City Council from District Six and subsequently was selected by fellow council members to serve as Vice Chairman

Represents citizens in areas: Brainerd, Brainerd Hills, Cedar Hill, Eastgate, Missionary Ridge North, Missionary Ridge South, Ridgedale, Sunnyside

Phone: 757-5196

Address: 308 Hemphill Ave. – Chattanooga, TN 37411

John R. Taylor, Sr., District 7

Mr. Taylor was elected to the City Council in 1997. He is president of Taylor Funeral Home, a family owned business established in 1989 employing 20 people. He is president of the Scales Funeral Home in Nashville. He graduated from Brainerd High and Southwestern Christian College in Tiarell, Texas, and went on to get a degree in Mortuary Science. His district is 50% black and 50% white; some constituents live in poverty and others are wealthy. He is interested in empowering underdeveloped neighborhoods by bringing more people into the governmental process...“for the people and by the people”. Taylor loves to travel (but hates to fly) and in Spring 1999 journeyed to Johannesburg, South Africa as an embalming consultant. He is married to Anita, a native of Indianapolis. They have two sons and are active members of the Avondale Church of Christ where John is educational director.

Represents citizens in areas: Alton Park, East Lake, Howard, Moccasin Bend, Piney Woods, St. Elmo

Phone: 757-5196

Address: 4611 Tennessee Ave. – Chattanooga, TN 37409

Leamon Pierce, District 8

Mr. Pierce and his wife Sue have one child and have lived in Park City all their lives. He has operated his own business, Liberty Bonding Company and Lesser Properties, since 1974. He was elected to City Council in 1990. Pierce's career history includes five years as a

Financial Staff

linesman with TVA and six years with the Electric Power Board where he became the company's first Black linesman. He has been an activist for equal opportunity through many years of service with NAACP, the Action Coordinating Council, Operation PUSH and the Unity Group.

Represents citizens in areas: Avondale, Bushtown, City Hall, Clifton Hills, Courthouse, Downtown

Phone: 757-5196

Address: 2710 Cannon Ave. – Chattanooga, TN 37404

Yusuf Hakeem, District 9, Chairman

Yusuf Abdul Hakeem retired from the General Electric Corporation after 25 years of service, and was one of the pioneers who started the Islamic Center in Chattanooga. He served on the Board of Education for 10 years, and on many other local boards—both past and present—including Chattanooga Neighborhood Enterprise, the Regional History Museum and the Bethlehem Center and Credit Union. Hakeem has been very active in the Tennessee Municipal League and is currently on the Board of Directors; he chaired the League's Telecommunications Committee in 1996. Hakeem was elected to City Council in 1990 and is now serving his 3rd term on the Council. He is a graduate of Howard High School and Chattanooga State. He and his wife Beseemah have four children—all are college graduates.

Represents citizens in areas: Amnicola, East Chattanooga, East Side, Glenwood, Highland Park

Phone: 757-5196

Address: 504 Kilmer St. – Chattanooga, TN 37404

James S. Boney, Chief Financial Officer



Jim Boney was appointed City Finance Officer in 1992 and has been re-appointed three times. Prior to his appointment, Boney served 26 years with the United States Air Force, retiring as a Colonel to accept this position. Under his leadership, the City of Chattanooga has been recognized for excellence in financial reporting, and has achieved an upgraded credit rating from the major rating agencies. Boney serves on numerous civic boards in the community and is a trustee of the Chattanooga-Hamilton County Hospital Authority (the Erlanger Health System). He and his wife of 31 years, Dianne, have three children. **Office Phone: 757-5234**

Daisy W. Madison, Deputy Financial Officer



Elections for Chair and Vice Chair are made each year, generally the 3rd week of April. Each councilperson will be up for re-election in 2005 (their current terms run from April, 2001 until April, 2005).

Daisy W. Madison was hired as Deputy Finance Officer in 1992. She is a Certified Public Accountant with over 22 years of experience in financial accounting and auditing which include 10 years as staff auditor for the U.S. General Accounting Office, Arthur Anderson & Company and audit manager for the internal audit division of Hamilton County government. Prior to coming to the City, she served as Director of Financial Management for Hamilton County government for over 10 years. Mrs. Madison initiated the first successful attempt by the City to obtain the GFOA certificate of achievement in financial reporting which was instrumental in the city's achieving an upgraded bond rating. She is involved in numerous community and civic organization which promote a better quality of life in Chattanooga. Daisy and her husband of 24 years, Sam, are the *proud* (smile) parents of four children.

Office Phone: 757-5232

Fredia F. Kitchen, Budget Officer

Fredia F. Kitchen was promoted to Budget Officer in March, 2000. Prior to Budget Officer, her career with the City began in 1980 where she started out in Payroll, moving to Budget in 1984 as a Budget Analyst, then promoted to Senior Budget Analyst. In addition to major budget duties, she monitors all City Investments, performs Revenue Analysis, and Bond Analysis, including gathering data for official statement preparation. She is married to Ken, who is an Information System Programming Manager in the City's Information Services division.

Office Phone: 757-0524

Simone M. White, Senior Budget Analyst

Simone White joined the City in March 1993 as a Budget Analyst. In November, 2000 she was promoted to her current position of Sr. Budget Analyst. She handles budgets for the Finance & Administration, Police, Neighborhood Services, and the Interceptor Sewer. Prior to joining the City, she was a Business Analyst for the City of Charleston (South Carolina). Simone holds a Bachelor of Science in Accounting from Clemson University (SC). She has served as a reviewer for the GFOA's Distinguished Budget Awards Program for the past four years. Her other activities include serving as board member on the Chattanooga Chapter,

Association of Government Accountants, Girl Scout Leader, and several church related activities. Simone is married to the wonderful Jerrold Javier White, an attorney practicing in the Chattanooga area.

Office Phone: 757-0534

Christopher Haley, Budget Analyst

Chris Haley was hired as a Budget Analyst in 1996. He handles budgets for selected General Government accounts and Parks, Recreation, Arts, & Culture. Prior to coming to the City, he worked in internal audit with Hamilton County. **Office Phone: 757-0537**

Randall Ray, Budget Analyst

Randall Ray was hired by the City in 1986. Prior to that he was a Sales Tax Auditor for the State of Tennessee for 2 years. He is a graduate of Middle Tennessee State University. He handles budgets for Fleet Services, Fire, and Public Works. He has been married to the former Teena Andrews for fifteen years with two cats (Bearden and Ernest T. Bass). **Office Phone: 757-0535**

Beverly Isaac, Budget Analyst

Beverly Isaac was hired in February 2001 as a Budget Analyst. She handles budget for General Government, Personnel, and the joint funded agencies (Human Services, Regional Planning Agency, Air Pollution, and Scenic Cities Beautiful). Beverly is a graduate of Southern University located in Baton Rouge, Louisiana. She holds a Bachelor of Science in Accounting. Prior to coming to the City, she served in the United States Army for seven years. She held various positions in the Finance Department. **Office Phone: 757-4751**

Organization Chart

